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COURT, DISTRICT OF UTAH  
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IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

ZIDAN TAN,

Defendant.

COMPLAINT

2:17mj417 PMW

VIO.: 18 U.S.C. § 2320 (Trafficking in  
Counterfeit Goods)

Magistrate Judge Paul M. Warner

SEALED

Before the Honorable Paul M. Warner, United States Magistrate Court Judge for the  
District of Utah, appeared the undersigned, who on oath deposes and says:

**COUNT I**

18 U.S.C. § 2320

Trafficking in Counterfeit Goods or Services

On May 13, 2017 in the Central Division of the District of Utah,

ZIDAN TAN,

the defendant herein, did participate in a scheme and artifice designed to fraudulently obtain new iPhones from Apple, Inc. (Apple) by submitting to Apple claims of damaged iPhones under false identities, with false warranty information, and iPhones that had been stripped of their legitimate internal components and replaced with counterfeit electronic components, for the purpose of

obtaining new and legitimate iPhones which were ultimately shipped overseas for sale on the black market. Beginning from on or about April 11, 2017, through on or about August 12, 2017 in the Central Division of the District of Utah and elsewhere, the Defendant, ZIDAN TAN with the intent to defraud, devised, willfully participated in, and with knowledge of its fraudulent nature of the above-described scheme and artifice to defraud and obtained property by materially false and fraudulent pretenses, representations, and promises. On or about May 13, 2017 and again on or about June 1, 2017 in the Central Division of the District of Utah for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud and deprive, Defendant knowingly took and received from an authorized depository for mail the following items: two packages, each carrying a fraudulently obtained iPhone from APPLE. All in violation of 18 U.S.C. § 2320.

**AFFIDAVIT IN SUPPORT OF COMPLAINT AND ARREST WARRANT**

1. I, Jared M. Dimick, being duly sworn, hereby depose and say:
2. I am employed as a Postal Inspector with the U.S. Postal Inspection Service and am assigned to the Salt Lake City Domicile of the Phoenix Division. I have been employed as a Postal Inspector since May 2015. I am currently serving as a Mail Fraud Inspector for the Salt Lake City office of the U.S. Postal Inspection Service. In this capacity I am also assigned to the Utah Identity Theft Task Force (ITTF). This assignment involves, among other things, investigation into the theft of U.S. Mail, mail fraud, identity theft, forgery, bank fraud, and credit card fraud.
3. Based upon my training and experience, as well as information provided by other law enforcement officers about their experiences and results of their investigations, I have become

familiar with the methods utilized in fraudulent schemes and artifices that use the postal service as a means of furthering the scheme's purpose. The information contained in this affidavit is based on my training, experience and participation in counterfeit investigations, my personal knowledge and observations during the course of this investigation, and information provided to me by other sources as noted herein.

**Background of Investigation**

4. On April 11, 2017, Inspector Jared Dimick received information from an employee at the UPS Store located at 4760 South Highland Drive, Salt Lake City, UT 84117 that PO Box #336 leased to ZIDAN TAN, was submitting large quantities of iPhones for repair through the UPS Store's Apple Repair Program. The UPS employee identified TAN's activity as suspect because of a previous investigation conducted by Inspector Dimick, which involved virtually the exact same scheme.

5. The scheme involves individuals based in the United States, primarily Chinese nationals in the United States on either student or travel visas, importing counterfeit iPhones from a distributor in China. During his investigation, Inspector Dimick learned that TAN is a Chinese national living in the United States on a student visa. Each of the counterfeit iPhones are labeled with an International Mobile Equipment Identity (IMEI) number that in fact belongs to a genuine iPhone still under Apple Inc. (Apple) warranty. The IMEI numbers are believed to be stolen from an unknown database.

6. Once the repair order through Apple's online or store replacement program is completed, the conspirators then ship the counterfeit iPhones to Apple via its warranty

replacement service, intending to cause Apple to believe the counterfeit iPhone is the genuine iPhone assigned to the IMEI number, and that Apple will replace the counterfeit iPhone with a genuine, functioning iPhone. Often, that is precisely what happens.

7. The conspirators provide Apple a return address – almost always a P. O. Box – where the replacement iPhones are received and eventually shipped back to China and likely sold. Through my investigation, I have found that ZIDAN TAN has received international parcels from Hong Kong, listing “repair phone” as the contents, and through extended border searches of these parcels by Homeland Security Investigation (HSI) it was found that Tan was submitting these same iPhones to Apple for repair. The parcels all had identical features, which include: Zhongmei Technologies as the sender, a cardboard box covered in yellow tape, a Styrofoam container inside the cardboard with yellow tape sealing the lid, and iPhones inside the Styrofoam all packaged in bubble wrap sleeves with stickers numbering the iPhones. Most or all iPhones inspected appeared to have unblemished screens, and minimal to no scratching or wear on the metal casing of the phone.

8. I received scans of repair order sheets from UPS Store employees daily, reporting that TAN had submitted more phones for repair. I alerted Apple to some of the iPhones TAN had submitted to UPS Stores around Salt Lake City, which Apple then flagged and inspected two of those phones. On June 5, 2017, Apple reported in an affidavit that the inspected iPhones contained counterfeit parts, and were not genuine iPhones.

9. Throughout the investigation, UPS Store employees aware of the iPhone fraud voluntarily informed me of P.O. Boxes associated with ZIDAN TAN, and when TAN would come in to the store to submit iPhones for repair/replacement. UPS Store employees reported that TAN would bring in friends or acquaintances to lease a P.O. Box, an authorized United States Postal Service mail receptacle, to be used to receive repaired/replaced iPhones from Apple, as well as receive inbound parcels from Hong Kong containing the counterfeit iPhones. UPS employees also identified several P.O. Boxes that TAN opened under her name for the purpose of receiving parcels from Apple and from unidentified co-conspirators in Hong Kong. They also identified several P.O. Boxes that she opened under alias names, such as “Kelly Tan”, “Vanny Tan”, “Alice Tan” and “Anna Tan.”

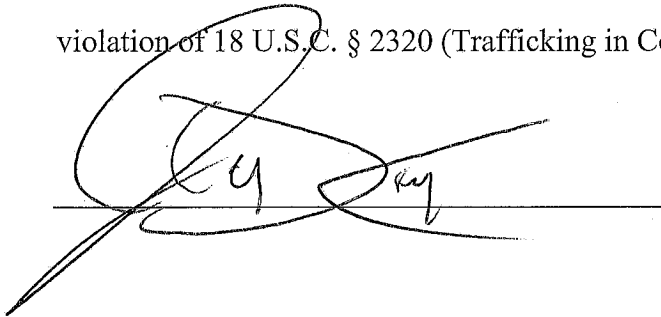
10. In addition to using P.O. Boxes for the scheme, TAN used the homes and residences of friends and acquaintances to receive iPhones from Apple and from coconspirators in Hong Kong as well. In total, over 50 addresses were used by TAN in the scheme, and 888 iPhones have been identified so far in the investigation. With each phone priced at around \$768.67 in China, the total discovered fraud committed by TAN amounts to \$682,578.96 which includes both actual and intended losses. The total does not reflect the costs to Apple for the shipping of each phone, and the cost for repair services.

11. On June 22, 2017, HSI and U.S. Customs and Border Protection (CBP) sent a "Notice of and Information to Claimants Non-Cafra Form" advising TAN that a parcel of iPhones that she was set to receive at one of Zidan Tan's P.O. Boxes, addressed to "Kelly Tan" had been seized. The notice advised TAN that the basis for seizure was the parcel contained counterfeit iPhones. TAN responded to the notice by sending CBP a check for \$570.00.

12. Despite the notice from CBP that TAN was receiving counterfeit iPhones from China, TAN continued to participate in the scheme to defraud Apple through this return fraud and has continued to do so through the filing of this complaint. In order to avoid detection from CBP, TAN had the parcels containing counterfeit iPhones sent to other P.O. boxes in various names including coconspirators. Some names TAN used for the parcels of counterfeit iPhones received from Hong Kong were "Vanny Tan", "Alice Tan", and "Kelly Tan".

13. On August 10, 2017, HSI Special Agent Dan Ashment and I received a tip from TAN's co-conspirator telling us that she will be leaving the United States sometime in mid-August for her home in China for a "month vacation". The conspirator stated that TAN was made aware of the ongoing investigation, which had been revealed by a UPS Store employee to one of the coconspirators. Based on the low likelihood of success of extraditing TAN from China, USPIS and HSI are seeking to arrest TAN before she leaves the country and possibly never returning.

Based on the above information, I have probable cause to believe ZIDAN TAN has committed a violation of 18 U.S.C. § 2320 (Trafficking in Counterfeit Goods).

A handwritten signature in black ink, appearing to be "E. J. [unclear]", is written over a horizontal line. The signature is stylized and somewhat illegible.

Affiant,  
U.S. Postal Inspector JARED M. DIMICK

SUBSCRIBED AND SWORN to before me this 15<sup>th</sup> day of August, 2017.

A handwritten signature in black ink, appearing to read "Paul M. Warner", written over a horizontal line.

Paul M. Warner  
United States District Court Magistrate Judge